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MEMORANDUM FOR: The Secretary of State

SUBJECT: Flood Relief to Communist China

TAB A: Current Status of the Floods in Communist China

REFERENCE: Paragraph 3b, National Security Council Record of Action dated 12 August 1954

1. A press dispatch reports that the Chinese Nationalist government has appealed to President Eisenhower to match his offer of food to Eastern European flood victims by sending the same amount of aid to China. An influential and strongly anti-Communist newspaper in Hong Kong on 14 August called upon the United States to offer flood relief in order to show that it is "a friend of the Chinese people" and thus counter anti-American propaganda in China.

2. Peiping is in a more awkward position, as regards any possible offer of American aid, than were the Eastern European governments which accepted it. Peiping has always denied the possibility of "genuine friendly aid" from the United States. Moreover, Peiping has relied more heavily on anti-American propaganda, as a justification and stimulant for its internal program, than has any Eastern European state.

3. It thus seems probable that any American offer of flood relief would be rejected. If such an offer were made and rejected, the United States would be in a strong propaganda position with the Asian "neutrals" and with the Chinese people, who could be informed of the offer by leaflet drops, foreign radio broadcasts, and travelers from Hong Kong, if Peiping failed to inform them.

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4. The propaganda advantage in such an offer would be particularly great if the Soviet Union were to fail to offer aid, or were to offer only token aid as in the case of the Satellites. Although Moscow has been expected to make a money donation for flood relief, there has as yet been no word that it has done so.

5. If Peiping were to accept an American offer of aid, the Chinese Communists would be expected to conceal the source of the aid wherever possible. It would not be possible, however, to conceal the fact of aid from other governments and peoples. Moreover, the Chinese people could be informed of the source of aid by leaflet drops, radio, or travelers, just as they could be informed of a rejected offer. The word would pass quickly throughout China, as the Chinese for centuries have obtained the bulk of their information by "village telegraph" -- word of mouth.

6. It is possible that a U. S. failure to offer flood relief to Communist China, particularly in view of U. S. offers to Eastern European nations where flood damage was much less severe, could be used by unfriendly nations as a substantial propaganda weapon. Moreover, Asian and other spokesmen might well ask publicly, as in the case of atomic attacks on Japan, whether the United States is distinguishing "white" Europeans from "colored" Asians. An offer of aid considerably less generous than the offer to Eastern Europe could also be subject to such criticism.

7. The United States might sacrifice its potential propaganda advantage unless it moves quickly. For example, the British Labor party delegation now in Peiping might be approached by Chinese Communist leaders with a hint that the British should head an international relief operation, particularly in the light of the "improved relations" between Britain and Peiping which the Chinese radio has been emphasizing in recent days. A similar approach might be made to one or more of the Asian "neutrals."

Enclosure

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CURRENT STATUS OF THE FLOODS IN COMMUNIST CHINA

The current floods in Communist China are the worst of the century with the exception of the 1931 floods. Flooding of much of central China equals or exceeds the 1931 level.

Hundreds of miles of rail line have been washed out on the two north-south lines, effectively isolating north and south China, as no coastal or highway transport between these two areas has been available to the Communists. The Communist air fleet, the only remaining means of north-south transport, is working overtime to provide transport to flood-isolated areas.

Peiping claims that water levels have dropped in most sections of the Yangtze, but a crest passing through Hankow on Sunday raised the level to a point 53 inches above the 1931 record. A reinforced dike system has thus far prevented Hankow and the area northwest of the city from being destroyed, but Hankow, which has one million inhabitants and is the principal city of Central China, is still in considerable danger. Damage to the Huai river valley, west of Hankow, where one-third of the total flood damage occurred in 1931, has thus far been limited.

Peiping reported on 11 August that the main rain belt which had hovered over central China for two months was moving north. This may result in increased flood threats to the Yellow River, which has been rising in recent days.

In 1931, flood damage was estimated at \$1,300,000,000 (1931 value). An area of 100,000 square miles, including 55,000 square miles of cultivated land, was flooded, and about 25,000,000 country people were displaced. The current flood damage is believed to be about two-thirds of the 1931 damage, amounting to at least one billion dollars (current value). About 40,000 square miles of cultivated land has been flooded, and crop losses have amounted to more than 10 million tons; the number of people displaced is unknown.

There might be much more damage before the flood season ends in late September. In any case, famine will hit large areas of central China next winter and early spring.

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